

**ECONOMIC DEVELOPMENT CABINET**  
**Proposed Projects Involving the General Fund (Cash or Bonds)**  
(amounts in **bold** are the total budget)

**2012-2014**

(Projects listed by Cabinet priority; descriptions are from the agency submissions)

**1. KY Economic Development Finance Authority (KEDFA) Bond .....\$20,000,000**

The Kentucky Economic Development Finance Authority "KEDFA" provides direct loans to eligible entities to encourage companies to locate new business projects in the Commonwealth and loans to existing companies to encourage expansion projects that create new jobs. *Dept. of Financial Incentives priority #1 (GL)*

**CPAB Staff Notes**

- *Additional General Funds (GF) in the amount of \$20,000,000 are proposed for each biennium - 2014-16 and 2016-18.*
- *The Cabinet reports that large loan pool cash balances created in past years have, in recent budgets, been used to finance programs of the Department of Commercialization and Innovation and to balance the state budget such that "Additional funds are critical to rebuild available loan funds."*

**2. High-Tech Construct/Investment Pools .....\$30,000,000**

The High-Tech Construction and Investment Pools are part of an overall economic development strategy set forth in the Kentucky Innovation Act (HB 572) of the 2000 Regular Session of the Ky. General Assembly; KRS 154.12-278(4). The Pools are used to build and promote networks of technology-driven and/or research-intensive industries and for projects which support the development of high-technology jobs and knowledge-based companies. The DCI Commissioner administers the pools and recommends distribution of funds and projects to the Kentucky Economic Development Finance Authority for its approval. The Commissioner shall recommend any designated amount of Pool funds to be set aside for any match requirement. Any funds used for matching purposes may include public and private funds. *Dept. of Financial Incentives priority #2 (GL) (GL)*

**CPAB Staff Notes**

- *Additional GF are proposed for 2014-16 (\$30,000,000) and 2016-18 (\$30,000,000). These requests represent a \$10,000,000 decrease in funding from the 2010-2016 plan request for this project.*
- *Cabinet indicates the proposed funding is based on historical information and projected new company interest.*

**3. Economic Development Bond Program (EDB) 2012-14 .....\$20,000,000**

Economic Development Bonds are authorized under KRS 154.12 and are used for extraordinary project financing not covered with other funds. An example may be an infrastructure project to assist a client in locating in a particular community. *Dept. of Financial Incentives priority #3 (GL) (GL)*

**CPAB Staff Notes**

- *Additional GF are proposed for 2014-16 (\$20,000,000) and 2016-18 (\$20,000,000).*
- *Cabinet indicates the proposed funding is based on historical information and projected new company interest.*

- 4. Parking Garage Maintenance.....\$2,350,000**
- The Cabinet for Economic Development owns four garages: Lexington Financial Center Garage, Vine Street Parking Garage, Covington City Center Parking Garage, and Sullivan Parking Garage. These garages were funded with bond funds and are now owned by the Cabinet. Other entities (either private management companies or local governments) manage the garages pursuant to various forms of contractual arrangement. The garages range in age from 26 years to nearly 12 years since construction. The management companies have responsibility for routine repairs. However, due to the age of some of these garages, the maintenance needs have become more substantial. In some cases, the safety of these garages may be jeopardized if conditions continue on their current course without appropriate attention. The Cabinet has never had a line item for repairs because the management entities have paid for repairs out of revenues or reserve accounts built from revenues. However, the repairs that have been recommended over the next biennium are costly and those funding sources will not be sufficient to cover them. *Secretary's Office, Priority #1 (C-PI)*

**2014-2016**

(Projects listed in alphabetical order)

Economic Development Bond Program (EDB).....	\$20,000,000
High-Tech Construct/Investment Pools.....	30,000,000
KY Economic Development Finance Authority (KEDFA) Bond .....	20,000,000

**2016-2018**

(Projects listed in alphabetical order)

Economic Development Bond Program (EDB).....	\$20,000,000
High-Tech Construct/Investment Pools.....	30,000,000
KY Economic Development Finance Authority (KEDFA) Bond .....	20,000,000